

Finding Alpha in STIR Futures

We are using BAX in our examples.

However, BAX is not an obscure market. It is quite popular. Hedge funds and trading firms definitely know about it.

Competition is high and profit opportunities might be low (unless you are really innovative and manage to outsmart the hedge funds).

My Recommendation

Take what you will learn from the upcoming STIR lectures, and trade a STIR future other than BAX.

Here is a list: [List of STIR Futures - Common and Less Common STIRs](#) (This is not an exhaustive list. Do your own research to find more!)

The more obscure the market, the better.

A possible way to check for obscurity is via trading volume. You want a STIR future that has lower trading volume but the volume is still high enough to generate some profits for you.

Competition isn't high in those markets because:

- The profit opportunity is not high enough for them. They have hundreds of millions (or billions) to deploy. Making \$5K a day is not worth their time. But I'll take it thanks.
- They might be restricted from trading those markets due to regulations.